

Function 400: Transportation

Function 400 is comprised mostly of the programs administered by the Department of Transportation (DOT), including programs for highways, mass transit, aviation, and maritime activities. The function also includes several small transportation-related agencies and the civilian aviation research program of the National Aeronautics and Space Administration (NASA).

For Function 400, the conference agreement on the Republican budget resolution provides \$59.3 billion in budgetary resources (appropriated budget authority plus mandatory contract authority) for 2001, \$7.5 billion more than the 2000 enacted level. However, the conference agreement also includes an increase in mandatory contract authority of \$2.5 billion for 2000, reflecting the recent reauthorization of the Federal Aviation Administration's (FAA's) Airport Improvement Program. When this amount is added to the 2000 enacted level, the increase for 2001 is only \$5.0 billion over the 2000 level. Of that sum, \$1.3 billion is for appropriated transportation programs, a 9 percent increase over the 2000 level. Over five years, the conference agreement provides \$293.6 billion in budgetary resources for transportation programs, \$210.6 in contract authority and \$83.0 billion in budget authority.

- ***Comparison with the House Resolution*** — For contract authority, the conference agreement provides the same amount as the House resolution for each of the years 2001 to 2005. For appropriations, the conference agreement provides \$100 million more for 2001 and \$600 million more over five years than the House resolution.
- ***Comparison with the Democratic Alternative*** — For 2001, the Democratic alternative resolution provided \$59.5 billion in budgetary resources, \$200 million more than the conference agreement. Over 2001-2005, the Democratic alternative provided \$2.9 billion more than the conference agreement. The Democratic alternative increased funding for highways, mass transit, and aviation programs while also preserving the purchasing power of other transportation programs such as the Coast Guard and Amtrak. The Republican resolutions freeze spending for many transportation programs (see below for details).
- ***Highways and Mass Transit*** — The Transportation Equity Act for the 21st Century (TEA-21) constrains the role of the annual budget and appropriations process with respect to transportation funding. For example, TEA-21 ties obligation limitations for federal-aid highways for each year to the excise tax revenues that accrue to the Highway Trust Fund during the prior year, and it adjusts the guaranteed minimum level of highway resources annually. Following the rules in TEA-21, the Administration adjusted the 2001 funding level upward by \$3.1 billion. The minimum levels are guaranteed by a point of order against appropriations bills that do not provide sufficient funding. One can reasonably assume,

therefore, that \$3.1 billion of the \$3.7 billion increase in mandatory contract authority for 2001 is for highways and mass transit.

- ***AIR-21 Locks in Increases for FAA*** — Because of the recent enactment of H.R. 1000 (or AIR-21), which reauthorizes the FAA, aviation programs will most likely receive the remainder of the increase in transportation funding for 2001. The remaining \$600 million increase in contract authority for 2001 is for the FAA's Airport Improvement Program. In addition, the entire \$1.3 billion increase for 2001 appropriations will almost certainly go to the FAA. H.R. 1000 constrains the appropriations process so that it will be very difficult for appropriators to provide anything less than the authorized funding levels. The authorization levels in H.R. 1000 for the appropriated portions of the FAA's budget are \$1.3 billion (17.2 percent) higher than the 2000 appropriations.

**Likely Distribution of Transportation Appropriations
Under the Republican Conference Agreement** (billions of dollars)

	2000	2001	2002	2003	2004	2005
Mass transit	1.2	1.3	1.4	1.4	1.4	1.4
FAA	8.2	9.5	10.0	10.6	10.6	10.6
All other ¹¹	5.1	5.0	5.0	5.0	5.0	5.0
Total	14.5	15.8	16.4	17.0	17.0	17.0

- ***All Other Transportation Programs Are Squeezed*** — Federal highway programs, grants to airports, and most of the federal mass transit program are funded with mandatory contract authority. Other transportation programs, such as Coast Guard, rail, and DOT's general administrative operations, are funded primarily through appropriations. The conference agreement provides \$15.8 billion in appropriations for 2001, \$1.3 billion (9 percent) more than the 2000 level. However, for reasons described above, all of this increase will almost certainly go to the FAA. As a result, the funding for other transportation programs such as the Coast Guard, rail programs, and the Department of Transportation's administration will be frozen close to their 2000 levels (see table above).

¹¹ This category includes: the Coast Guard, the Federal Railroad Administration, capital funds for Amtrak, NASA's civilian aviation research, the National Transportation Safety Board, a portion of National Highway Traffic Safety Administration, DOT's Inspector General, and DOT's Office of Pipeline Safety.

The conference agreement continues to squeeze these other transportation programs in the following years. The modest increases in appropriated funding provided for 2002 and 2003 accommodate only the increased appropriations that H.R. 1000 all but guarantees for the FAA, as well as a small increase for mass transit. By 2003 (the last year covered by H.R. 1000), programs like Coast Guard and support for Amtrak face a cut in purchasing power of 5.9 percent. For 2004 and 2005, the conference agreement freezes all appropriated funding for transportation programs at \$17.0 billion. By 2005, that freeze translates to a 10.2 percent cut in purchasing power for the Coast Guard and the other appropriated transportation programs.